

## **Revenue Committee**

## Filed: 4/19/2007

	09500HB0410ham001 LRB095 06518 BDD 34129 a
1	AMENDMENT TO HOUSE BILL 410
2	AMENDMENT NO Amend House Bill 410 by replacing
3	everything after the enacting clause with the following:
4	"Section 5. The Counties Code is amended by adding Section
5	5-1006.7 as follows:
6	(55 ILCS 5/5-1006.7 new)
7	Sec. 5-1006.7. School facility occupation taxes.
8	(a) For the purposes of this Section:
9	"Department" means the Department of Revenue.
10	"Occupation tax" means a tax imposed upon:
11	(1) all retailers engaged in the business of selling
12	tangible personal property, other than personal property
13	titled or registered with an agency of this State's
14	government, at retail in the county on the gross receipts
15	from the sales made in the course of business; and
16	(2) all servicemen engaged, in the county, in the

1	business of making sales of service, who, as an incident to
2	making those sales of service, transfer tangible personal
3	property within the county as an incident to a sale of
4	service.
5	"Retailer" means and includes any person engaged in the
6	business of making sales at retail, as defined in Section 1 of
7	the Retailers' Occupation Tax Act.
8	"Serviceman" has the definition set forth in Section 2 of
9	the Service Occupation Tax Act.
10	"School-facility purposes" means the acquisition,
11	development, construction, reconstruction, rehabilitation,
12	improvement, financing, architectural planning, and
13	installation of capital facilities consisting of buildings,
14	structures, and durable equipment and for the acquisition and
15	improvement of real property and interests in real property
16	required, or expected to be required, in connection with the
17	capital facilities. "School-facility purposes" also includes
18	fire prevention, safety, energy conservation, disabled
19	accessibility, school security, and specified repair purposes
20	set forth under Section 17-2.11 of the School Code.
21	(b) A county board may impose an occupation tax within the
22	county, the proceeds of which may be used solely for
23	school-facility purposes.
24	This tax under this Section may be imposed only in
25	one-quarter percent increments and may not exceed 1%.

(c) The tax under this Section may not be imposed until the

1	question of imposing the tax has been submitted to the electors
2	of the county at a regular election and approved by a majority
3	of the electors voting on the question. The county board must
4	certify the question to the proper election authority, which
5	must submit the question at an election in accordance with the
6	Election Code.
7	The election authority must submit the question in
8	substantially the following form:
9	Shall (name of county) be authorized to impose an
10	occupation tax (commonly referred to as a "sales tax") in
11	accordance with Section 5-1006.7 of the Counties Code at
12	the rate of (insert rate) to be used exclusively for
13	school-facility purposes within the county?
14	The election authority must record the votes as "Yes" or "No".
15	If a majority of the electors voting on the question vote
16	in the affirmative, then the county may, thereafter, impose the
17	tax.
18	(d) The tax under this Section may not be imposed on the
19	sales of food for human consumption that is to be consumed off
20	the premises where it is sold (other than alcoholic beverages,
21	soft drinks, and food that has been prepared for immediate
22	consumption) or prescription and non-prescription medicines,
23	drugs, medical appliances, and insulin, urine testing
24	materials, syringes, and needles used by diabetics.
25	Nothing in this Section may be construed to authorize a
26	county board to impose a tax upon the privilege of engaging in

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1 any business that under the Constitution of the United States 2 may not be made the subject of taxation by this State.

(e) The Department has full power to administer and enforce this Section, to collect all taxes and penalties due under this Section, to dispose of taxes and penalties so collected in the manner provided in this Section, and to determine all rights to credit memoranda arising on account of the erroneous payment of a tax or penalty under this Section. The Department shall deposit all taxes and penalties collected under this Section into a special fund created for that purpose.

In the administration of and compliance with this Section with respect to a retailer who is subject to this Section, the Department and the retailer (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) are subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and (iii) shall employ the same modes of procedure as are set forth in Sections 1, 1a, 1a-1, 1d, 1e, 1f, 1i, 1j, 1k, 1m, 1n, 2 through 2-70 (in respect to all provisions contained in those Sections other than the State rate of tax), 2a, 2b, 2c, 3 (except provisions relating to transaction returns and quarter monthly payments), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 5k, 5l, 6, 6a, 6b, 6c, 7, 8, 9, 10, 11, 11a, 12, and 13 of the Retailers' Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act as if those provisions were set forth in this Section. The certificate of registration that is issued by the Department to

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1 a retailer under the Retailers' Occupation Tax Act permits the retailer to engage in a business that is taxable without 2 3 registering separately with the Department under an ordinance 4 or resolution under this Section.

In the administration of and compliance with this Section with respect to a serviceman who is subject to this Section, the Department and the serviceman (i) have the same rights, remedies, privileges, immunities, powers, and duties, (ii) are subject to the same conditions, restrictions, limitations, penalties, and definitions of terms, and (iii) shall employ the same modes of procedure as are set forth in Sections 2 (except that the reference to State in the definition of supplier maintaining a place of business in this State means the county), 2a, 2b, 2c, 3 through 3-50 (in respect to all provisions contained in those Sections other than the State rate of tax), 4 (except that the reference to the State means to the county), 5, 7, 8 (except that the jurisdiction to which the tax is a debt to the extent indicated in that Section 8 is the county), 9 (except as to the disposition of taxes and penalties collected), 10, 11, 12 (except the reference therein to Section 2b of the Retailers' Occupation Tax Act), 13 (except that any reference to the State means the county), Section 15, 16, 17, 18, 19, and 20 of the Service Occupation Tax Act and Section 3-7 of the Uniform Penalty and Interest Act, as fully as if those provisions were set forth in this Section.

A person who is subject to the tax imposed under the

1	authority granted in this Section may reimburse himself or
2	herself for the tax liability by separately stating the tax as
3	an additional charge, which may be stated in combination, in a
4	single amount, with State tax that sellers are required to
5	collect under the Use Tax Act, pursuant to any bracketed
6	schedules set forth by the Department.

(f) The Department shall immediately pay over to the State Treasurer, ex officio, as trustee, all taxes and penalties collected under this Section to be deposited into the School Facility Occupation Tax Fund, which shall be an unappropriated trust fund held outside of the State treasury.

On or before the 25th day of each calendar month, the Department shall prepare and certify to the Comptroller the disbursement of stated sums of money to the regional superintendents of schools in counties from which retailers or servicemen have paid taxes or penalties to the Department during the second preceding calendar month. The amount to be paid to each regional superintendent of schools, and disbursed by him or her in accordance with 3-14.31 of the School Code, is equal to the amount (not including credit memoranda) collected from the county under this Section during the second preceding calendar month by the Department: plus

(1) an amount that the Department determines is necessary to offset any amounts that were erroneously paid to a different taxing body; less

(2) 2% of the amount under item (1), which must be

1	deposited into the Tax Compliance and Administration Fund
2	and be used by the Department, subject to appropriation, to
3	cover the costs of the Department in administering and
4	enforcing the provisions of this Section on behalf of the
5	<pre>county; less</pre>
6	(3) an amount equal to the amount of refunds made
7	during the second preceding calendar month by the
8	Department on behalf of the county; and less
9	(4) any amount that the Department determines is
10	necessary to offset any amounts that were payable to a
11	different taxing body but were erroneously paid to the
12	county.
13	When certifying the amount of a monthly disbursement to a
14	regional superintendent of schools under this Section, the
15	Department shall increase or decrease the amounts by an amount
16	necessary to offset any miscalculation of previous
17	disbursements. The offset amount is the amount erroneously
18	disbursed within the previous 6 months from the time a
19	miscalculation is discovered.
20	Within 10 days after receipt by the Comptroller of the
21	disbursement certification to the regional superintendents of
22	schools provided for in this Section to be given to the
23	Comptroller by the Department, the Comptroller shall cause the
24	orders to be drawn for the respective amounts in accordance
25	with directions contained in the certification.

If the Department determines that a refund should be made

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1 under this Section to a claimant instead of issuing a credit 2 memorandum, then the Department shall notify the State Comptroller, who shall cause the order to be drawn for the 3 4 amount specified and to the person named in the notification 5 from the Department. The refund shall be paid by the State

Treasurer out of the School Facility Occupation Tax Fund.

(q) For the purpose of determining the local governmental unit whose tax is applicable, a retail sale by a producer of coal or another mineral mined in Illinois is a sale at retail at the place where the coal or other mineral mined in Illinois is extracted from the earth. This paragraph does not apply to coal or another mineral when it is delivered or shipped by the seller to the purchaser at a point outside Illinois so that the sale is exempt under the United States Constitution as a sale in interstate or foreign commerce.

(h) If a county board imposes a tax under this Section, then the board may, by ordinance, discontinue or reduce the rate of the tax. If, however, a school board issues bonds under Section 19c-5 of the School Code, then the county board may not reduce the tax rate or discontinue the tax if that rate reduction or discontinuance would inhibit the school board's ability to pay the principal and interest on those bonds as they become due. If the county board reduces the tax rate or discontinues the tax, then a referendum must be held in accordance with subsection (a) of this Section in order to increase the rate of the tax or to reimpose the discontinued

- 1 tax.
- 2 <u>(i) The results of any election that authorizes a</u>
- 3 proposition to impose a tax under this Section or to change the
- 4 rate of the tax, or any ordinance that lowers the rate or
- discontinues the tax, must be certified by the county board and
- filed with the Department either (i) on or before the first day
- of April, whereupon the Department shall proceed to administer
- 8 and enforce the tax as of the first day of July next following
- 9 the filing; or (ii) on or before the first day of October,
- 10 whereupon the Department shall proceed to administer and
- 11 enforce the tax as of the first day of January next following
- 12 the filing.
- 13 (j) This Section does not apply to Cook County.
- 14 Section 10. The School Code is amended changing Sections
- 15 17-2.11 and 19-1 and by adding Sections 3-14.31, 10-20.40, and
- 16 Article 19c as follows:
- 17 (105 ILCS 5/3-14.31 new)
- 18 Sec. 3-14.31. School facility occupation tax proceeds.
- 19 (a) Within 30 days after receiving any proceeds of a school
- 20 facility occupation tax under Section 5-1006.7 of the Counties
- 21 Code, each regional superintendent must disburse those
- 22 proceeds to each school district that is located in the county
- in which the tax was collected.
- 24 (b) The proceeds must be disbursed on a per-pupil basis.

- 1 Each school district that is located in the county in which the
- tax was collected must annually certify to the regional 2
- superintendent the number of students who attend a school that 3
- 4 is located in the county in which the tax was collected. The
- 5 regional superintendent may conduct an audit of the
- certification submitted by a school board. 6
- 7 (105 ILCS 5/10-20.40 new)
- 8 Sec. 10-20.40. School facility occupation tax fund. All
- 9 proceeds received by a school district from a distribution
- 10 under 3-14.31 must be maintained in a special fund known as the
- school facility occupation tax fund. The district may use 11
- 12 moneys in that fund only for school-facility purposes, as that
- 13 term is defined under Section 5-1006.7 of the Counties Code.
- 14 (105 ILCS 5/17-2.11) (from Ch. 122, par. 17-2.11)
- Sec. 17-2.11. School board power to levy a tax or to borrow 15
- money and issue bonds for fire prevention, safety, energy 16
- conservation, disabled accessibility, school security, and 17
- 18 specified repair purposes. Whenever, as a result of any lawful
- order of any agency, other than a school board, having 19
- 20 authority to enforce any school building code applicable to any
- 21 facility that houses students, or any law or regulation for the
- 22 protection and safety of the environment, pursuant to the
- 23 Environmental Protection Act, any school district having a
- population of less than 500,000 inhabitants is required to 24

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alter or reconstruct any school building or permanent, fixed equipment; or whenever any such district determines that it is necessary for energy conservation purposes that any school building or permanent, fixed equipment should be altered or reconstructed and that such alterations or reconstruction will be made with funds not necessary for the completion of approved and recommended projects contained in any safety survey report or amendments thereto authorized by Section 2-3.12 of this Act; or whenever any such district determines that it is necessary for disabled accessibility purposes and to comply with the school building code that any school building or equipment should be altered or reconstructed and that such alterations or reconstruction will be made with funds not necessary for the completion of approved and recommended projects contained in any safety survey report or amendments thereto authorized under Section 2-3.12 of this Act; or whenever any such district determines that it is necessary for school security purposes and the related protection and safety of pupils and school personnel that any school building or property should be altered or reconstructed or that security systems and equipment (including but not limited to intercom, early detection and warning, access control and television monitoring systems) should be purchased and installed, and that such alterations, reconstruction or purchase and installation of equipment will be made with funds not necessary for the completion of approved and recommended projects contained in any safety survey report

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or amendment thereto authorized by Section 2-3.12 of this Act and will deter and prevent unauthorized entry or activities upon school property by unknown or dangerous persons, assure early detection and advance warning of any such actual or attempted unauthorized entry or activities and help assure the continued safety of pupils and school staff if any such unauthorized entry or activity is attempted or occurs; or if a school district does not need funds for other fire prevention and safety projects, including the completion of approved and recommended projects contained in any safety survey report or amendments thereto authorized by Section 2-3.12 of this Act, and it is determined after a public hearing (which is preceded by at least one published notice (i) occurring at least 7 days prior to the hearing in a newspaper of general circulation within the school district and (ii) setting forth the time, date, place, and general subject matter of the hearing) that there is a substantial, immediate, and otherwise unavoidable threat to the health, safety, or welfare of pupils due to disrepair of school sidewalks, playgrounds, parking lots, or school bus turnarounds and repairs must be made: then in any such event, such district may, by proper resolution, levy a tax for the purpose of making such alteration or reconstruction, based on a survey report by an architect or engineer licensed in the State of Illinois, upon all the taxable property of the district at the value as assessed by the Department of Revenue at a rate not to exceed .05% per year for a period sufficient

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1 to finance such alterations, repairs, or reconstruction, upon the following conditions: 2

- (a) When there are not sufficient funds available in either the operations and maintenance fund of the district, the school facility occupation tax fund of the district, or the fire prevention and safety fund of the district as determined by the district on the basis of regulations adopted by the State Board of Education to make such alterations, repairs, or reconstruction, or to purchase and install such permanent fixed equipment so ordered or determined as necessary. Appropriate school district records shall be made available to the State Superintendent of Education upon request to confirm such insufficiency.
- When a certified estimate of an architect or engineer licensed in the State of Illinois stating the estimated amount necessary to make the alterations or repairs, or to purchase and install such equipment so ordered has been secured by the district, and the estimate been approved by the regional superintendent of schools, having jurisdiction of the district, and the State Superintendent of Education. Approval shall not be granted for any work that has already started without the prior authorization of the State Superintendent Education. If such estimate is not approved or denied approval by the regional superintendent of schools within 3 months after the date on which it is submitted to him or

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1 her, the school board of the district may submit such estimate directly to the State Superintendent of Education 2 3 for approval or denial.

For purposes of this Section a school district may replace a school building or build additions to replace portions of a building when it is determined that the effectuation of the recommendations for the existing building will cost more than the replacement costs. Such determination shall be based on a comparison of estimated costs made by an architect or engineer licensed in the State of Illinois. The new building or addition shall be equivalent in area (square feet) and comparable in purpose and grades served and may be on the same site or another site. Such replacement may only be done upon order of the regional superintendent of schools and the approval of the State Superintendent of Education.

The filing of a certified copy of the resolution levying the tax when accompanied by the certificates of the regional superintendent of schools and State Superintendent Education shall be the authority of the county clerk to extend such tax.

The county clerk of the county in which any school district levying a tax under the authority of this Section is located, in reducing raised levies, shall not consider any such tax as a part of the general levy for school purposes and shall not include the same in the limitation of any other tax rate which may be extended.

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Such tax shall be levied and collected in like manner as all other taxes of school districts, subject to the provisions contained in this Section.

The tax rate limit specified in this Section may be increased to .10% upon the approval of a proposition to effect such increase by a majority of the electors voting on that proposition at a regular scheduled election. Such proposition may be initiated by resolution of the school board and shall be certified by the secretary to the proper election authorities for submission in accordance with the general election law.

When taxes are levied by any school district for fire prevention, safety, energy conservation, and school security purposes as specified in this Section, and the purposes for which the taxes have been levied are accomplished and paid in full, and there remain funds on hand in the Fire Prevention and Safety Fund from the proceeds of the taxes levied, including interest earnings thereon, the school board by resolution shall use such excess and other board restricted funds excluding bond proceeds and earnings from such proceeds (1) for other authorized fire prevention, safety, energy conservation, and school security purposes or (2) for transfer to the Operations and Maintenance Fund for the purpose of abating an equal amount of operations and maintenance purposes taxes. If any transfer is made to the Operation and Maintenance Fund, the secretary of the school board shall within 30 days notify the county clerk of the amount of that transfer and direct the clerk to abate

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1 the taxes to be extended for the purposes of operations and maintenance authorized under Section 17-2 of this Act by an 2 3 amount equal to such transfer.

If the proceeds from the tax levy authorized by this Section are insufficient to complete the work approved under this Section, the school board is authorized to sell bonds without referendum under the provisions of this Section in an amount that, when added to the proceeds of the tax levy authorized by this Section, will allow completion of the approved work.

Such bonds shall bear interest at a rate not to exceed the maximum rate authorized by law at the time of the making of the contract, shall mature within 20 years from date, and shall be signed by the president of the school board and the treasurer of the school district.

In order to authorize and issue such bonds, the school board shall adopt a resolution fixing the amount of bonds, the date thereof, the maturities thereof, rates of interest thereof, place of payment and denomination, which shall be in denominations of not less than \$100 and not more than \$5,000, and provide for the levy and collection of a direct annual tax upon all the taxable property in the school district sufficient to pay the principal and interest on such bonds to maturity. Upon the filing in the office of the county clerk of the county in which the school district is located of a certified copy of the resolution, it is the duty of the county clerk to extend

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1 the tax therefor in addition to and in excess of all other taxes heretofore or hereafter authorized to be levied by such 2 school district. 3

After the time such bonds are issued as provided for by this Section, if additional alterations or reconstructions are required to be made because of surveys conducted by an architect or engineer licensed in the State of Illinois, the district may levy a tax at a rate not to exceed .05% per year upon all the taxable property of the district or issue additional bonds, whichever action shall be the most feasible.

This Section is cumulative and constitutes complete authority for the issuance of bonds as provided in this Section notwithstanding any other statute or law to the contrary.

With respect to instruments for the payment of money issued under this Section either before, on, or after the effective date of Public Act 86-004 (June 6, 1989), it is, and always has been, the intention of the General Assembly (i) that the Omnibus Bond Acts are, and always have been, supplementary grants of power to issue instruments in accordance with the Omnibus Bond Acts, regardless of any provision of this Act that may appear to be or to have been more restrictive than those Acts, (ii) that the provisions of this Section are not a limitation on the supplementary authority granted by the Omnibus Bond Acts, and (iii) that instruments issued under this Section within the supplementary authority granted by the Omnibus Bond Acts are not invalid because of any provision of

- 1 this Act that may appear to be or to have been more restrictive
- 2 than those Acts.
- 3 When the purposes for which the bonds are issued have been
- 4 accomplished and paid for in full and there remain funds on
- 5 hand from the proceeds of the bond sale and interest earnings
- 6 therefrom, the board shall, by resolution, use such excess
- funds in accordance with the provisions of Section 10-22.14 of 7
- 8 this Act.
- 9 Whenever any tax is levied or bonds issued for fire
- 10 prevention, safety, energy conservation, and school security
- 11 purposes, such proceeds shall be deposited and accounted for
- separately within the Fire Prevention and Safety Fund. 12
- 13 (Source: P.A. 88-251; 88-508; 88-628, eff. 9-9-94; 88-670, eff.
- 12-2-94; 89-235, eff. 8-4-95; 89-397, eff. 8-20-95.) 14
- 15 (105 ILCS 5/19-1) (from Ch. 122, par. 19-1)
- Sec. 19-1. Debt limitations of school districts. 16
- 17 (a) School districts shall not be subject to the provisions
- limiting their indebtedness prescribed in "An Act to limit the 18
- 19 indebtedness of counties having a population of less than
- 500,000 and townships, school districts and other municipal 20
- 21 corporations having a population of less than 300,000",
- approved February 15, 1928, as amended. 22
- 23 No school districts maintaining grades K through 8 or 9
- 24 through 12 shall become indebted in any manner or for any
- 25 purpose to an amount, including existing indebtedness, in the

aggregate exceeding 6.9% on the value of the taxable property
therein to be ascertained by the last assessment for State and
county taxes or, until January 1, 1983, if greater, the sum
that is produced by multiplying the school district's 1978
equalized assessed valuation by the debt limitation percentage
in effect on January 1, 1979, previous to the incurring of such
indebtedness.

No school districts maintaining grades K through 12 shall become indebted in any manner or for any purpose to an amount, including existing indebtedness, in the aggregate exceeding 13.8% on the value of the taxable property therein to be ascertained by the last assessment for State and county taxes or, until January 1, 1983, if greater, the sum that is produced by multiplying the school district's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979, previous to the incurring of such indebtedness.

No partial elementary unit district, as defined in Article 11E of this Code, shall become indebted in any manner or for any purpose in an amount, including existing indebtedness, in the aggregate exceeding 6.9% of the value of the taxable property of the entire district, to be ascertained by the last assessment for State and county taxes, plus an amount, including existing indebtedness, in the aggregate exceeding 6.9% of the value of the taxable property of that portion of the district included in the elementary and high school

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classification, to be ascertained by the last assessment for State and county taxes. Moreover, no partial elementary unit district, as defined in Article 11E of this Code, shall become indebted on account of bonds issued by the district for high school purposes in the aggregate exceeding 6.9% of the value of the taxable property of the entire district, to be ascertained by the last assessment for State and county taxes, nor shall the district become indebted on account of bonds issued by the district for elementary purposes in the aggregate exceeding 6.9% of the value of the taxable property for that portion of the district included in the elementary and high school classification, to be ascertained by the last assessment for State and county taxes.

Notwithstanding the provisions of any other law to the contrary, in any case in which the voters of a school district have approved a proposition for the issuance of bonds of such school district at an election held prior to January 1, 1979, and all of the bonds approved at such election have not been issued, the debt limitation applicable to such school district during the calendar year 1979 shall be computed by multiplying the value of taxable property therein, including personal property, as ascertained by the last assessment for State and county taxes, previous to the incurring of such indebtedness, by the percentage limitation applicable to such school district under the provisions of this subsection (a).

(b) Notwithstanding the debt limitation prescribed in

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subsection (a) of this Section, additional indebtedness may be incurred in an amount not to exceed the estimated cost of acquiring or improving school sites or constructing and equipping additional building facilities under the following conditions:

- (1) Whenever the enrollment of students for the next school year is estimated by the board of education to increase over the actual present enrollment by not less than 35% or by not less than 200 students or the actual present enrollment of students has increased over the previous school year by not less than 35% or by not less than 200 students and the board of education determines that additional school sites or building facilities are required as a result of such increase in enrollment; and
- (2) When the Regional Superintendent of Schools having jurisdiction over the school district and the State Superintendent of Education concur in such enrollment projection or increase and approve the need for such additional school sites or building facilities and the estimated cost thereof; and
- (3) When the voters in the school district approve a proposition for the issuance of bonds for the purpose of acquiring or improving such needed school sites constructing and equipping such needed additional building facilities at an election called and held for that purpose. Notice of such an election shall state that the amount of

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indebtedness proposed to be incurred would exceed the debt limitation otherwise applicable to the school district. The ballot for such proposition shall state what percentage of the equalized assessed valuation will be outstanding in bonds if the proposed issuance of bonds is approved by the voters; or

- (4) Notwithstanding the provisions of paragraphs (1) through (3) of this subsection (b), if the school board determines that additional facilities are needed to provide a quality educational program and not less than 2/3 of those voting in an election called by the school board on the question approve the issuance of bonds for the construction of such facilities, the school district may issue bonds for this purpose; or
- (5) Notwithstanding the provisions of paragraphs (1) through (3) of this subsection (b), if (i) the school district has previously availed itself of the provisions of paragraph (4) of this subsection (b) to enable it to issue bonds, (ii) the voters of the school district have not defeated a proposition for the issuance of bonds since the referendum described in paragraph (4) of this subsection (b) was held, (iii) the school board determines that additional facilities are needed to provide a quality educational program, and (iv) a majority of those voting in an election called by the school board on the question approve the issuance of bonds for the construction of such

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1 facilities, the school district may issue bonds for this 2 purpose.

In no event shall the indebtedness incurred pursuant to this subsection (b) and the existing indebtedness of the school district exceed 15% of the value of the taxable property therein to be ascertained by the last assessment for State and county taxes, previous to the incurring of such indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the school district's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979.

The indebtedness provided for by this subsection (b) shall be in addition to and in excess of any other debt limitation.

- (c) Notwithstanding the debt limitation prescribed in subsection (a) of this Section, in any case in which a public question for the issuance of bonds of a proposed school district maintaining grades kindergarten through 12 received at least 60% of the valid ballots cast on the question at an election held on or prior to November 8, 1994, and in which the bonds approved at such election have not been issued, the school district pursuant to the requirements of Section 11A-10 (now repealed) may issue the total amount of bonds approved at such election for the purpose stated in the question.
- (d) Notwithstanding the debt limitation prescribed in subsection (a) of this Section, a school district that meets all the criteria set forth in paragraphs (1) and (2) of this

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subsection (d) may incur an additional indebtedness in an amount not to exceed \$4,500,000, even though the amount of the additional indebtedness authorized by this subsection (d), when incurred and added to the aggregate amount of indebtedness of the district existing immediately prior to the district incurring the additional indebtedness authorized by this subsection (d), causes the aggregate indebtedness of the district to exceed the debt limitation otherwise applicable to that district under subsection (a):

- (1) The additional indebtedness authorized by this subsection (d) is incurred by the school district through the issuance of bonds under and in accordance with Section 17-2.11a for the purpose of replacing a school building which, because of mine subsidence damage, has been closed as provided in paragraph (2) of this subsection (d) or through the issuance of bonds under and in accordance with Section 19-3 for the purpose of increasing the size of, or providing for additional functions in, such replacement school buildings, or both such purposes.
- (2) The bonds issued by the school district as provided in paragraph (1) above are issued for the purposes of construction by the school district of a new school building pursuant to Section 17-2.11, to replace an existing school building that, because of mine subsidence damage, is closed as of the end of the 1992-93 school year pursuant to action of the regional superintendent of

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schools of the educational service region in which the district is located under Section 3-14.22 or are issued for the purpose of increasing the size of, or providing for additional functions in, the new school building being constructed to replace a school building closed as the result of mine subsidence damage, or both such purposes.

- (e) (Blank).
- (f) Notwithstanding the provisions of subsection (a) of this Section or of any other law, bonds in not to exceed the aggregate amount of \$5,500,000 and issued by a school district meeting the following criteria shall not be considered indebtedness for purposes of any statutory limitation and may issued in an amount or amounts, including existing indebtedness, in excess of any heretofore or hereafter imposed statutory limitation as to indebtedness:
  - (1) At the time of the sale of such bonds, the board of education of the district shall have determined by resolution that the enrollment of students in the district is projected to increase by not less than 7% during each of the next succeeding 2 school years.
  - (2) The board of education shall also determine by resolution that the improvements to be financed with the proceeds of the bonds are needed because of the projected enrollment increases.
  - (3) The board of education shall also determine by resolution that the projected increases in enrollment are

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1 the result of improvements made or expected to be made to passenger rail facilities located in the school district. 2

Notwithstanding the provisions of subsection (a) of this Section or of any other law, a school district that has availed itself of the provisions of this subsection (f) prior to July 22, 2004 (the effective date of Public Act 93-799) may also issue bonds approved by referendum up to an amount, including existing indebtedness, not exceeding 25% of the equalized assessed value of the taxable property in the district if all of the conditions set forth in items (1), (2), and (3) of this subsection (f) are met.

- (q) Notwithstanding the provisions of subsection (a) of this Section or any other law, bonds in not to exceed an aggregate amount of 25% of the equalized assessed value of the taxable property of a school district and issued by a school district meeting the criteria in paragraphs (i) through (iv) of this subsection shall not be considered indebtedness for purposes of any statutory limitation and may be issued pursuant to resolution of the school board in an amount or amounts, including existing indebtedness, in excess of any statutory limitation of indebtedness heretofore or hereafter imposed:
  - (i) The bonds are issued for the purpose constructing a new high school building to replace two adjacent existing buildings which together house a single high school, each of which is more than 65 years old, and which together are located on more than 10 acres and less

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- than 11 acres of property. 1
  - (ii) At the time the resolution authorizing the issuance of the bonds is adopted, the cost of constructing a new school building to replace the existing school building is less than 60% of the cost of repairing the existing school building.
    - (iii) The sale of the bonds occurs before July 1, 1997.
  - (iv) The school district issuing the bonds is a unit school district located in a county of less than 70,000 and more than 50,000 inhabitants, which has an average daily attendance of less than 1,500 and an equalized assessed valuation of less than \$29,000,000.
  - (h) Notwithstanding any other provisions of this Section or the provisions of any other law, until January 1, 1998, a community unit school district maintaining grades K through 12 issue bonds up to an amount, including existing indebtedness, not exceeding 27.6% of the equalized assessed value of the taxable property in the district, if all of the following conditions are met:
    - The school district has an equalized assessed valuation for calendar year 1995 of less than \$24,000,000;
    - (ii) The bonds are issued for the capital improvement, renovation, rehabilitation, or replacement of existing school buildings of the district, all of which buildings were originally constructed not less than 40 years ago;
      - (iii) The voters of the district approve a proposition

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- 1 for the issuance of the bonds at a referendum held after March 19, 1996; and 2
- (iv) The bonds are issued pursuant to Sections 19-2 3 4 through 19-7 of this Code.
  - (i) Notwithstanding any other provisions of this Section or the provisions of any other law, until January 1, 1998, a community unit school district maintaining grades K through 12 issue bonds up to an amount, including existing indebtedness, not exceeding 27% of the equalized assessed value of the taxable property in the district, if all of the following conditions are met:
    - (i) The school district has an equalized assessed valuation for calendar year 1995 of less than \$44,600,000;
    - (ii) The bonds are issued for the capital improvement, renovation, rehabilitation, or replacement of existing school buildings of the district, all of which existing buildings were originally constructed not less than 80 vears ago;
  - (iii) The voters of the district approve a proposition for the issuance of the bonds at a referendum held after December 31, 1996; and
- 22 (iv) The bonds are issued pursuant to Sections 19-2 23 through 19-7 of this Code.
  - (j) Notwithstanding any other provisions of this Section or the provisions of any other law, until January 1, 1999, a community unit school district maintaining grades K through 12

- 1 an amount, including existing may issue bonds up to indebtedness, not exceeding 27% of the equalized assessed value 2 3 of the taxable property in the district if all of the following
- 4 conditions are met:

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- (i) The school district has an equalized assessed valuation for calendar year 1995 of less than \$140,000,000 and a best 3 months average daily attendance for the 1995-96 school year of at least 2,800;
  - (ii) The bonds are issued to purchase a site and build and equip a new high school, and the school district's existing high school was originally constructed not less than 35 years prior to the sale of the bonds;
  - (iii) At the time of the sale of the bonds, the board of education determines by resolution that a new high school is needed because of projected enrollment increases:
- (iv) At least 60% of those voting in an election held after December 31, 1996 approve a proposition for the issuance of the bonds; and
- (v) The bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.
- (k) Notwithstanding the debt limitation prescribed in subsection (a) of this Section, a school district that meets all the criteria set forth in paragraphs (1) through (4) of this subsection (k) may issue bonds to incur an additional indebtedness in an amount not to exceed \$4,000,000 even though

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the amount of the additional indebtedness authorized by this subsection (k), when incurred and added to the aggregate amount of indebtedness of the school district existing immediately prior to the school district incurring such additional indebtedness, causes the aggregate indebtedness of the school district to exceed or increases the amount by which the aggregate indebtedness of the district already exceeds the debt limitation otherwise applicable to that school district under subsection (a):

- (1) the school district is located in 2 counties, and a referendum to authorize the additional indebtedness was approved by a majority of the voters of the school district voting on the proposition to authorize that indebtedness;
- (2) the additional indebtedness is for the purpose of financing a multi-purpose room addition to the existing high school;
- (3) the additional indebtedness, together with the existing indebtedness of the school district, shall not exceed 17.4% of the value of the taxable property in the school district, to be ascertained by the last assessment for State and county taxes; and
- (4) the bonds evidencing the additional indebtedness are issued, if at all, within 120 days of the effective date of this amendatory Act of 1998.
- (1) Notwithstanding any other provisions of this Section or the provisions of any other law, until January 1, 2000, a

- 1 school district maintaining grades kindergarten through 8 may
- issue bonds up to an amount, including existing indebtedness, 2
- 3 not exceeding 15% of the equalized assessed value of the
- 4 taxable property in the district if all of the following
- 5 conditions are met:
- (i) the district has an equalized assessed valuation 6
- for calendar year 1996 of less than \$10,000,000; 7
- 8 (ii) the bonds are issued for capital improvement,
- 9 renovation, rehabilitation, or replacement of one or more
- 10 school buildings of the district, which buildings were
- 11 originally constructed not less than 70 years ago;
- (iii) the voters of the district approve a proposition 12
- 13 for the issuance of the bonds at a referendum held on or
- 14 after March 17, 1998; and
- 15 (iv) the bonds are issued pursuant to Sections 19-2
- 16 through 19-7 of this Code.
- (m) Notwithstanding any other provisions of this Section or 17
- the provisions of any other law, until January 1, 1999, an 18
- elementary school district maintaining grades K through 8 may 19
- 20 issue bonds up to an amount, excluding existing indebtedness,
- not exceeding 18% of the equalized assessed value of the 2.1
- taxable property in the district, if all of the following 22
- conditions are met: 23
- 24 The school district has an equalized assessed
- 25 valuation for calendar year 1995 or less than \$7,700,000;
- 26 (ii) school district operates 2 elementary The

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1 attendance centers that until 1976 were operated as the attendance centers of 2 separate and distinct school 2 districts: 3

- (iii) The bonds are issued for the construction of a new elementary school building to replace an existing multi-level elementary school building of the school district that is not handicapped accessible at all levels and parts of which were constructed more than 75 years ago;
- (iv) The voters of the school district approve a proposition for the issuance of the bonds at a referendum held after July 1, 1998; and
- (v) The bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.
- Notwithstanding the debt limitation prescribed in subsection (a) of this Section or any other provisions of this Section or of any other law, a school district that meets all of the criteria set forth in paragraphs (i) through (vi) of this subsection (n) may incur additional indebtedness by the issuance of bonds in an amount not exceeding the amount certified by the Capital Development Board to the school district as provided in paragraph (iii) of this subsection (n), even though the amount of the additional indebtedness so authorized, when incurred and added to the aggregate amount of indebtedness of the district existing immediately prior to the district incurring the additional indebtedness authorized by this subsection (n), causes the aggregate indebtedness of the

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- district to exceed the debt limitation otherwise applicable by 1 law to that district: 2
  - (i) The school district applies to the State Board of Education for a school construction project grant and submits a district facilities plan in support of its application pursuant to Section 5-20 of the School Construction Law.
  - (ii) The school district's application and facilities plan are approved by, and the district receives a grant entitlement for a school construction project issued by, the State Board of Education under the School Construction Law.
  - (iii) The school district has exhausted its bonding capacity or the unused bonding capacity of the district is less than the amount certified by the Capital Development Board to the district under Section 5-15 of the School Construction Law as the dollar amount of the school construction project's cost that the district will be required to finance with non-grant funds in order to receive a school construction project grant under the School Construction Law.
  - (iv) The bonds are issued for a "school construction project", as that term is defined in Section 5-5 of the School Construction Law, in an amount that does not exceed the dollar amount certified, as provided in paragraph (iii) of this subsection (n), by the Capital Development Board to

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- 1 the school district under Section 5-15 of the School 2 Construction Law.
  - (v) The voters of the district approve a proposition for the issuance of the bonds at a referendum held after the criteria specified in paragraphs (i) and (iii) of this subsection (n) are met.
  - (vi) The bonds are issued pursuant to Sections 19-2 through 19-7 of the School Code.
  - (o) Notwithstanding any other provisions of this Section or the provisions of any other law, until November 1, 2007, a community unit school district maintaining grades K through 12 may issue bonds up to an amount, including existing indebtedness, not exceeding 20% of the equalized assessed value of the taxable property in the district if all of the following conditions are met:
    - (i) the school district has an equalized assessed valuation for calendar year 2001 of at least \$737,000,000 and an enrollment for the 2002-2003 school year of at least 8,500;
    - (ii) the bonds are issued to purchase school sites, build and equip a new high school, build and equip a new junior high school, build and equip 5 new elementary schools, and make technology and other improvements and additions to existing schools;
  - (iii) at the time of the sale of the bonds, the board of education determines by resolution that the sites and

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- 1 new or improved facilities are needed because of projected enrollment increases: 2
  - (iv) at least 57% of those voting in a general election held prior to January 1, 2003 approved a proposition for the issuance of the bonds; and
  - (v) the bonds are issued pursuant to Sections 19-2 through 19-7 of this Code.
  - (p) Notwithstanding any other provisions of this Section or the provisions of any other law, a community unit school district maintaining grades K through 12 may issue bonds up to an amount, including indebtedness, not exceeding 27% of the equalized assessed value of the taxable property in the district if all of the following conditions are met:
    - (i) The school district has an equalized assessed valuation for calendar year 2001 of at least \$295,741,187 and a best 3 months' average daily attendance for the 2002-2003 school year of at least 2,394.
    - The bonds are issued to build and equip 3 elementary school buildings; build and equip one middle school building; and alter, repair, improve, and equip all existing school buildings in the district.
    - (iii) At the time of the sale of the bonds, the board of education determines by resolution that the project is needed because of expanding growth in the school district and a projected enrollment increase.
    - (iv) The bonds are issued pursuant to Sections 19-2

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1 through 19-7 of this Code.

- (p-5) Notwithstanding any other provisions of this Section or the provisions of any other law, bonds issued by a community unit school district maintaining grades K through 12 shall not be considered indebtedness for purposes of any statutory limitation and may be issued in an amount or amounts, including existing indebtedness, in excess of any heretofore or hereafter imposed statutory limitation as to indebtedness, if all of the following conditions are met:
  - (i) For each of the 4 most recent years, residential property comprises more than 80% of the equalized assessed valuation of the district.
  - (ii) At least 2 school buildings that were constructed 40 or more years prior to the issuance of the bonds will be demolished and will be replaced by new buildings or additions to one or more existing buildings.
  - (iii) Voters of the district approve a proposition for the issuance of the bonds at a regularly scheduled election.
  - (iv) At the time of the sale of the bonds, the school board determines by resolution that the new buildings or building additions are needed because of an increase in enrollment projected by the school board.
  - (v) The principal amount of the bonds, including existing indebtedness, does not exceed 25% of the equalized assessed value of the taxable property in the district.

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- 1 (vi) The bonds are issued prior to January 1, 2007, pursuant to Sections 19-2 through 19-7 of this Code. 2
  - (p-10) Notwithstanding any other provisions of this Section or the provisions of any other law, bonds issued by a community consolidated school district maintaining grades K through 8 shall not be considered indebtedness for purposes of any statutory limitation and may be issued in an amount or amounts, including existing indebtedness, in excess of any heretofore or hereafter imposed statutory limitation as to indebtedness, if all of the following conditions are met:
    - (i) For each of the 4 most recent years, residential and farm property comprises more than 80% of the equalized assessed valuation of the district.
    - (ii) The bond proceeds are to be used to acquire and improve school sites and build and equip a school building.
    - (iii) Voters of the district approve a proposition for the issuance of the bonds at a regularly scheduled election.
    - (iv) At the time of the sale of the bonds, the school board determines by resolution that the school sites and building additions are needed because of an increase in enrollment projected by the school board.
    - (v) The principal amount of the bonds, including existing indebtedness, does not exceed 20% of the equalized assessed value of the taxable property in the district.
      - (vi) The bonds are issued prior to January 1, 2007,

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1 pursuant to Sections 19-2 through 19-7 of this Code.

- (p-15) In addition to all other authority to issue bonds, the Oswego Community Unit School District Number 308 may issue bonds with an aggregate principal amount not to exceed \$450,000,000, but only if all of the following conditions are met:
  - (i) The voters of the district have approved a proposition for the bond issue at the general election held on November 7, 2006.
  - (ii) At the time of the sale of the bonds, the school board determines, by resolution, that: (A) the building and equipping of the new high school building, new junior high school buildings, new elementary school buildings, early childhood building, maintenance building, transportation facility, and additions to existing school buildings, the equipping, altering, repairing, and provision technology improvements to existing school buildings, and the acquisition and improvement of school sites, as the case may be, are required as a result of a projected increase in the enrollment of students in the district; and (B) the sale of bonds for these purposes is authorized by legislation that exempts the debt incurred on the bonds from the district's statutory debt limitation.
  - (iii) The bonds are issued, in one or more bond issues, on or before November 7, 2011, but the aggregate principal amount issued in all such bond issues combined must not

1 exceed \$450,000,000.

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- (iv) The bonds are issued in accordance with this 2 Article 19. 3
  - (v) The proceeds of the bonds are used only to accomplish those projects approved by the voters at the general election held on November 7, 2006.
- The debt incurred on any bonds issued under this subsection 7 8 (p-15) shall not be considered indebtedness for purposes of any 9 statutory debt limitation.
- 10 (p-20) In addition to all other authority to issue bonds, 11 the Lincoln-Way Community High School District Number 210 may issue bonds with an aggregate principal amount not to exceed 12 \$225,000,000, but only if all of the following conditions are 13 14 met:
  - (i) The voters of the district have approved a proposition for the bond issue at the general primary election held on March 21, 2006.
  - (ii) At the time of the sale of the bonds, the school board determines, by resolution, that: (A) the building and equipping of the new high school buildings, the altering, repairing, and equipping of existing school buildings, and the improvement of school sites, as the case may be, are required as a result of a projected increase in the enrollment of students in the district; and (B) the sale of bonds for these purposes is authorized by legislation that exempts the debt incurred on the bonds from the district's

- 1 statutory debt limitation.
- (iii) The bonds are issued, in one or more bond issues, 2
- on or before March 21, 2011, but the aggregate principal 3
- 4 amount issued in all such bond issues combined must not
- 5 exceed \$225,000,000.
- (iv) The bonds are issued in accordance with this 6
- 7 Article 19.
- 8 (v) The proceeds of the bonds are used only to
- 9 accomplish those projects approved by the voters at the
- 10 primary election held on March 21, 2006.
- 11 The debt incurred on any bonds issued under this subsection
- (p-20) shall not be considered indebtedness for purposes of any 12
- 13 statutory debt limitation.
- (q) A school district must notify the State Board of 14
- 15 Education prior to issuing any form of long-term or short-term
- 16 debt that will result in outstanding debt that exceeds 75% of
- the debt limit specified in this Section or any other provision 17
- 18 of law.
- 19 (r) The debt incurred on any bonds issued under Article 19c
- 20 shall not be considered indebtedness for purposes of any
- 21 statutory debt limitation.
- (Source: P.A. 93-13, eff. 6-9-03; 93-799, eff. 7-22-04; 22
- 93-1045, eff. 10-15-04; 94-234, eff. 7-1-06; 94-721, eff. 23
- 24 1-6-06; 94-952, eff. 6-27-06; 94-1019, eff. 7-10-06; 94-1078,
- 25 eff. 1-9-07.)".

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(105 ILCS 5/Art. 19c heading new) 1

## ARTICLE 19c. SCHOOL FACILITY REVENUE BONDS

3 (105 ILCS 5/19c-5 new)

Sec. 19c-5. School facility revenue bonds.

(a) A school board may, from time to time, issue and dispose of its interest bearing revenue bonds for school-facility purposes and may also, from time to time, issue and dispose of its interest bearing revenue bonds to refund any bonds at maturity or pursuant to redemption provisions or at any time before maturity with the consent of the holders thereof. All such bonds are payable solely from the revenues or income to be derived from the tax imposed under Section 5-1006.7 of the Counties Code and from funds, if any, received and to be received by the school board from any other source. The bonds may be sold at such price as the school board may determine to finance and to refund or refinance any and all bonds issued and sold by the board under this Article. No bonds issued under this Article, however, may bear interest in excess of the maximum rate authorized by the Bond Authorization Act, as amended at the time of the making of the contract, computed to the maturity of the bonds. The bonds must be issued in denominations of not less than \$100 and not more than \$5,000 and must mature within 20 years from the date that they are issued.

(b) It is and always has been the intention of the General

- Assembly (i) that the Omnibus Bond Acts are and always have 1 2 been supplementary grants of power to issue instruments in accordance with the Omnibus Bond Acts, regardless of any 3 4 provision of this Act that may appear to be or to have been 5 more restrictive than those Acts, (ii) that the provisions of this Section are not a limitation on the supplementary 6 authority granted by the Omnibus Bond Acts, and (iii) that 7 instruments issued under this Section within the supplementary 8 authority granted by the Omnibus Bond Acts are not invalid 9 10 because of any provision of this Act that may appear to be or 11 to have been more restrictive than those Acts.
- (c) For the purpose of this Article, "school-facility 12 13 purposes" has the same meaning as defined in Section 5-1006.7 14 of the Counties Code.
- Section 99. Effective date. This Act takes effect upon 15 16 becoming law.".